August 9, 1965 Approved For Release 2004/05/05 : CIA-RDP67B00446R000500280031-3 ph.

GUN BATTLE ON CAPITOL HILL: During recent Congressional hearings on small arms legislation, a gun industry cold war came to the surface. Lines are now drawn between manufacturers, like Remington and Ruger, and importers, notably the giant Interarmco, an American-based, world-wide firm dealing almost entirely in the sale of surplus World War II weapons from abroad. Both factions oppose restrictions on arms sales, but manufacturers are openly de-. lighted with provisions of the bills under consideration that would curb imports, ostensibly as a crime-control measure. Importers argue that "no one ever held up a bank with a 20-year-old Enfield" and claim the manufacturers' real motive is to stifle competition. "The manufacturers sell almost nothing under \$100," says Interarmco's Thomas Nelson, "while we offer a wide choice of serviceable weapons in a lower price range." Reverberations sent out by the hassle affect sporting-goods retailers, mail-order merchandisers like Sears and Montgomery Ward, banks and finance companies, and may cause small arms restriction measures to be shelved indefinitely.